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TUESDAY, MAY 18, 1954

THE JERUSALEM POST

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Russians Warn Austria Against Anti-Soviet Acts

VIENNA, Monday (UP). — The Russians summoned Austria's Chancellor and Vice-Chancellor today and warned with unprecedented severity that "proper measures" will be taken unless anti-Soviet acts are curbed.

The Soviet High Commissioner, Mr. I. I. Ilyichev, read the statement to Chancellor Julius Raab and Vice-Chancellor Adolf Schaerf in his office.

Relations between the Soviet occupation forces and the Austrians have worsened sharply since the Russians dampened Austrian independence hopes at last winter's Big Four conference at Berlin.

In his warning Mr. Ilyichev ordered the Government to crack down on "inimical and subversive acts against the Soviet authorities and the Soviet occupation forces in Austria."

"The Austrian Government parties have committed anti-Soviet actions, while their press each day publishes libellous reports about the Soviet Union", TASS quoted Mr. Ilyichev.

He ordered the Government to take "the necessary steps so that these inimical and subversive acts ... shall cease."

Otherwise, Mr. Ilyichev was quoted, "the Soviet occupation authorities will be forced in accordance with four-power agreements to take proper measures themselves."

Mr. Raab later issued a point-by-point denial of accusations made by Mr. Ilyichev, and charged in reply that recent acts of violence by Soviet troops against Austrians "have upset our population greatly... these incidents have been increasing lately."

Mr. Raab cited specific cases in which he said innocent Austrians were shot or knifed by Russian soldiers. The Chancellor said that Austria "cannot carry out orders imposed by a single occupation power."

Egypt Getting Arms Via 'Secret' Routes

CAIRO, Monday (Reuter). — General Abdul Hakim Amer, Egyptian Commander-in-Chief, told the independent Egyptian newspaper "El Ahram" today that "necessary weapons for the armed forces and national guard (volunteers) are being obtained through secret channels with the help of officers sent abroad on missions."

This was necessary he said as "some countries are exerting pressure to obstruct the arming of our forces."

He added that Egyptian arms factories would be producing "in the near future," and that this gave rise to the hope that it would be possible to dispense with much of the imported equipment.

Israel, Gen. Amer continued, had recently stepped up her attacks on Arab territory to persuade world opinion that Arab countries should be pressed to talk peace and end tension. "Our armed forces are fully prepared for all eventualities and they will repel aggression coming from any direction, he warned. "Western aid to Israel would result in the total loss of Arab friendship and jeopardize Middle East peace."

Amer said "The Arab countries cannot be forced to the conviction that a threat to their security comes from the Eastern camp so long as they live under the threat posed by foreign troops which occupy their territories."

Of the pact between Turkey and Pakistan, Gen. Amer commented "Acute local and regional problems must undoubtedly have forced Pakistan to accept the great sacrifices entailed in joining such an alliance." He could see no direct interest for Pakistan in joining an international organization thousands of miles away to ward off an unlikely danger.

Suez Blockade Raised In Commons Debate

LONDON, Monday (INA). — Minister of State Selwyn Lloyd expressed hope in the Commons this afternoon that Egypt would not remain indifferent to the weight of feeling expressed against her during the Security Council debate on the blockade of Israel-bound shipping.

On being asked whether the Council had completed its consideration of Israel's complaint on this score, the Minister replied that it had become clear during the course of the debate that the Egyptians were not prepared to comply with the 1951 resolution, and that the Soviet Union had vetoed a New Zealand resolution calling for such compliance.

Mr. Lloyd stressed, however, that this in no way affected the validity of the 1951 resolution.

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Secret 9-Power Talks On Indo-China Open

GENEVA, Monday (Reuter). — The nine nations trying to end the seven-year war in Indo-China will meet in secret session here again tomorrow. A communique issued after today's first closed meeting, which lasted for over three hours, said merely that they had discussed the question of evacuating wounded from the fallen French fortress of Dien Bien Phu and "the problem of restoring peace to Indo-China."

Conference sources said that no agreement was reached at today's session on solving the new problems which have arisen over the Dien Bien Phu wounded.

The French High Command in Indo-China has declared the evacuation agreement reached soon after the peace talks opened here on May 8 "unworkable," and said that it intended to resume the bombing of a key Vietminh supply route leading to the threatened Red River delta.

The French Command broke off the evacuation operation during the week-end. They feared that the Vietminh were taking advantage of it to rush troops from Dien Bien Phu on this road to Son La, in north-west Tonking, on the way to Hanoi in the vital Red River delta.

Radio Peking announced today that Vietminh troops had captured a "strong" French position south of Phuly in the Red River Delta on Wednesday, "putting out of action" two companies of a Moroccan regiment.

The delegations here today had a "useful discussion and made some progress," authoritative conference sources said tonight. The Communists, however, did not drop their demand that Laos and Cambodia, two of the three Associated States of Indo-China, must be included in any peace settlement.

The West maintains that these states cannot be put on the same footing as Vietnam because they are threatened with aggression from outside by Vietminh forces now in Vietnam.

In a broadcast today the Chief of Staff of the Vietminh Army was quoted as saying that Communist guerrillas control two-thirds of the territory behind the French lines in Vietnam and one-half in Laos, and are "extending the liberated territory" of Cambodia.

(Reuter, UP)

Dulles Will Not Return to Geneva

WASHINGTON, Monday (Reuter). — The State Department today made it clear that Secretary of State Dulles did not intend to return to Geneva at present to resume leadership of the American delegation at the Far East negotiations.

"He has no plans to return in the foreseeable future," said the Department's spokesman, Mr. Lincoln White. "He thinks the delegation is in good hands."

Franco-US Talks Open in Paris

PARIS, Monday (UP). — U.S. and French diplomats opened frank discussions on what to do in Asia if the Geneva conference fails to end the Indo-Chinese war.

The U.S. Ambassador to Paris, Mr. Douglas Dillon, back from Geneva, met Foreign Affairs Under-Secretary Maurice Schumann at the Quai d'Orsay to discuss "specific problems of Indo-China," a U.S. Embassy spokesman said.

The aim of the conversations is to find out where each side stands and what they are prepared to do under certain eventualities in Indo-China.

Premier Joseph Laniel has publicly announced that France must know the U.S. position. French sources added unofficially that the eventualities under consideration were: if the Geneva Conference fails, if the Indo-China military situation worsens while the parleys are still under way in Geneva, and if the only way to win a cease-fire from Communist negotiators entails either letting the Vietminh into a coalition Vietnam government or partitioning the country.

Britain Not to Act on Asian Pact While Geneva Talks On—Churchill

LONDON, Monday (Reuter). — Sir Winston Churchill told the Commons today that until the outcome of the Geneva conference was known, final decisions could not be taken regarding the establishment of collective defence in South-East Asia.

The Prime Minister said that the Government had not embarked on any negotiations involving commitments.

Sir Winston, who was answering questions on the proposed South-East Asian pact, stated: "The Geneva conference is now entering on its fourth week. The immediate aim of the discussions about Indo-China is to bring the fighting to an end on terms acceptable to both sides.

"The Foreign Secretary (Mr. Anthony Eden) is doing all in his power to help in finding an agreed basis for this, and I am sure that the House would not wish that anything should be said which might make his task more difficult."

A Labour Member suggested that in considering the question of a pact guaranteeing South-East Asian nations, the Government should also realize that some nations might not want to be guaranteed.

Close Touch with Asia

The Prime Minister said that was a point which no doubt would be mentioned in the course of the discussions, and added: "We are maintaining the closest touch with the Governments of India, Pakistan and Ceylon, and also with the Government of Burma. All these Governments are being kept fully informed from day to day of developments at Geneva, since we fully realize that they will be closely affected by its outcome and may feel willing to make a contribution towards it."

In a statement, he said it should not be thought that Britain is not ready to examine the possibility of establishing a South-East Asian collective security system within the framework of the U.N. "But our immediate task is to do all that we can to reach an agreed settlement at Geneva for the restoration of peace in Indo-China," he stressed.

Philippine Rebel Leader Surrenders

MANILA, Monday. — Luis Taruc, chief of the Hukbalahap rebels, in the Philippines, surrendered to the authorities yesterday. The terms are those defined by President Magsaysay last January — unconditional surrender and trial for crimes committed.

Taruc is accused of sedition and rebellion, as well as murder, plunder and kidnappings. These same charges have hitherto been proffered against all rebels before local courts.

Taruc, 44, gained fame during the war as an intense fighter against the Japanese, but he threw in his lot with the agrarian leftist rebels after the Philippines were liberated by the United States.

The Moscow-trained rebel was elected to the Philippine Congress in 1946, but fled to the hills before his term had expired.

Jordan Seeks £2m. Arab Aid For National Guards

AMMAN, Monday (Reuter). — The Jordan Cabinet met this afternoon for three hours and discussed the situation of the National Guards.

Defence Minister Anwar Nuseiba told the Press that Jordan was negotiating with the Arab states to secure a permanent budget of £2m. for this force.

The Cabinet studied all measures to "maintain the Jordan frontiers from Israel attacks" and asked the Defence Minister for a report on this subject.

Nuseiba said, "The Israelis are aiming to meddle with Jordan's forces to draw Jordan into peace talks while we are maintaining our obligations under the Armistice Agreement."

The Cabinet today approved a draft statement on government policy, and it is expected that parliament will hold an extraordinary session next week when a vote of confidence will be taken.

S.E. Asia Said Planning Own Security System

DJAKARTA, Monday (Reuter). — Authoritative sources said today that Indonesian foreign policy experts were discussing the possibility of a non-aggression pact between Indonesia, India, Burma and the People's Republic of China.

The experts thought that such a pact should be drawn up as soon as possible because of the urgency in the South-East Asian political situation now that "a world power" was making strong efforts to create a "defensive bloc."

AFTER MIDNIGHT

The U.S. State Department said last night that an important shipment of arms had been sent to Guatemala from "Soviet controlled territory."

Ike Orders Gov't Workers to Shun McCarthy Probe

WASHINGTON, Monday (UP). — President Eisenhower today ordered Government employees not to tell Army-McCarthy investigators anything about conferences purely within the executive branch of Government.

The action threw the investigating subcommittee into an uproar and left its future in doubt. Last night it suspended hearings for a week.

Senator Joseph McCarthy attacked the order, saying, "I do not think the President is responsible... I don't think his judgment is that bad." He said the order drew an "iron curtain" over efforts to determine who was really responsible for the pressure charges against himself and his staff members and he refused to question any army witnesses until the subcommittee held an executive session.

The President issued his order just before the start of today's Army-McCarthy session after discussing it with Republican congressional leaders.

Mr. Eisenhower said he was issuing the order to preserve the principle of separation of powers among the three branches of government. The immediate effect of the order was to prevent the Army Counsellor, Mr. John G. Adams, from testifying further about a January 21 conference of high administration officials on the Army-McCarthy quarrel held at the Justice Department.

Sen. Homer Ferguson, Chairman of the Senate Republican Policy Committee indicated yesterday that he does not want Sen. Joseph R. McCarthy to campaign for him in Michigan this autumn.

Although not up for re-election himself, Sen. McCarthy is expected to take an active part in the November senatorial campaign

COMMUNISTS SHUFFLE KNESSET PERSONNEL

At the opening of last night's Knesset session, Mr. David Bar-Rav-Hay, chairman of the Knesset Committee, asked the House's approval for changes in Committee membership.

The Communist party requested that Mrs. Esther Vilenska should be replaced on the Knesset and Economic Committees by Mr. Meir Wilner, and that on the Legal Committee, Mr. Emil Habibi should be replaced by Mr. Tewfik Toubi. The change was approved.

Both Mrs. Vilenska and Mr. Habibi have been subject to recent shuffles within the party, having been transferred from the Executive Committee to the Political Committee.

It was also announced that Herut had applied to replace Mr. Eliezer Shostak on the Labour Committee by Mr. Magori Cohen, and Mr. Haim Landau on the Foreign Affairs and Security Committee by Dr. Arie Altmann.

Soviet Recruited 5th Column In Australia, Commission Told

CANBERRA, Monday (Reuter). — Blackmail or pressure based on weakness or indiscretion was used to recruit a "fifth column" for Russia among Australians, the Royal Commission on espionage was told at its opening session here today.

Mr. Vladimir Petrov, former Third Secretary at the Soviet Embassy who had obtained political asylum in Australia, was in charge of this work, being actually a colonel in the M.V.D. (secret police) it was stated by Mr. W.J. Windeyer, Chief Commonwealth Counsel.

Recruits seemed to be sought among ideological converts to Communist theory, or people motivated by vanity or "a desire to do what they thought to be important," he said.

Once induced to give information or do some task for Russia, they might find it difficult to refuse further tasks. The difficulty was increased as they did more and more.

Information was collected and sent to Moscow about persons in position to help if they could be induced to do so. Generally, these included junior civil servants, clerks, secretaries, and sometimes journalists, because from time to time they obtained "off the record" information.

Mr. Petrov identified his wife, who also found asylum here, the Soviet Embassy's Second Secretary and the TASS news agency correspondent in Australia as other secret police agents.

Mr. Windeyer told the Commission that Mr. Petrov first contacted the Australians in February about fleeing the Soviet Embassy and seeking asylum. He arranged to gather various documents on espionage from his secret police file before making his break with the Embassy in April.

Mr. Windeyer said that Mr. Petrov fell into disfavour with his MVD superiors in Moscow, and after the purge of Lavrenti Beria his work was declared to be "unsatisfactory." These reports from Moscow, Mr. Windeyer continued, convinced Mr. Petrov that he would be killed if he returned to the Soviet Union.

The Commission counsel said that Mr. Petrov had handed over documents which showed a systematic Soviet procedure in recruiting help. Information sent to Moscow, he added, included character sketches of such persons, their general background, education, political leanings and "even whether a man drinks or talks afterwards and whether he had relations with women."

(Reuter, UP).

'Blatant' Soviet Spy Enlistment in Britain

LONDON, Monday (UP). — The Government revealed today that two Russian diplomats, expelled from Britain for espionage, had made "blatant" attempts to recruit spies and obtain secret information from a British officer.

Minister of State Selwyn Lloyd told Parliament that one of the two Assistant Air Attaches was caught trying to suborn "a serving officer of Her Majesty's forces."

The Russian, Maj. Ivan Pupyshev, failed because the British officer refused, behaving, Mr. Lloyd said, "in an exemplary manner."

Mr. Lloyd's statement was the first official explanation of Britain's charges of espionage against the two diplomats. They were ordered to leave the country on May 7.

The Foreign Office declined to reveal the name of the British officer whom the Russians tried to get to betray his country.

Pauker Trial Reported Set for October

BELGRADE, Monday (UP). — The former Rumanian Foreign Minister, Mme. Anna Pauker, and "a group of former State and Party leaders" will go on trial in Bucharest in October, the Semi-official Yugoslav agency, Yugopress, reported today.

It gave no sources for its story, but said that Mme. Pauker, former Government Minister Vasile Luca and others would be charged with "knowingly bringing hostile elements into the Party and the State administration."

Jordan Charges Israel

Jordan has lodged a complaint with the Mixed Armistice Commission, ANA reports, alleging that, yesterday morning, Israel soldiers opened fire on Jordan farmers harvesting inside Jordan territory at Samua, in the Hebron area. One villager is said to have been injured.

Jordan has requested an emergency meeting of the MAC.

Knesset Raps US Arms Aid to Iraq In Firm Resolution

Only four members of the Knesset — the extreme left wing — voted against the firmly worded resolution, protesting against the American promise of arms to Iraq and recommendations that Israel limit immigration, tabled on behalf of the Coalition parties yesterday after the Prime Minister wound up the Foreign Affairs debate which he had initiated last week.

The Prime Minister said that "friendly statements intended to be reassuring" had been made to Israel's representatives in Washington during the past few days, and readiness had been shown there to take Israel's reactions into account. The general trend of American policy which had been revealed recently indicated that there was a difficult struggle ahead for Israel. This need not necessarily affect the deep and solid friendship between Israel and the U.S., but there might be serious differences over questions of practical policy.

Mr. Sharett commented on the friendly statement (of which he gave no details) that "what has been said positively but in general terms does not cancel or balance what was said negatively but specifically," and while Mr. Byroade's statements had also consisted only of "words," the promise to supply arms to Iraq still stood.

"The Government declares that as long as there is no decisive change in the attitude of the Arab countries on the issue of peace it will consider any arms given to them as directed against Israel."

Mr. Sharett noted that the Soviet Union's recent support of the Arab countries further encouraged their intransigence, and wound up by asking for unity and consolidation within the country as he only guarantee of security, immigration and the future of the State itself.

The resolution, which was tabled by Dr. Herzl Berger (Mapai), made the following points:

The Knesset see in the supply of arms to Iraq or any other Arab state a threat to the security of Israel and to the peace and stability of the whole Middle East.

The Knesset looks with concern on the policy expressed by the U.S. Assistant Secretary of State (Mr. Byroade) which... does not conform to the traditional friendship between the Jewish people returning to its homeland and the U.S.

The Knesset expresses concern at the attempt to interfere in the internal affairs of the State... and proclaims that the Ingathering of the Exiles is the supreme ideal of Israel... The State of Israel will continue to strengthen the bonds between the State and Jews everywhere in order to enrich Jewish spiritual and cultural life.

The Knesset was fairly full when the vote was taken, and a momentary diversion was

(Continued on Page 3, — Col. 4)

UN Security Council Meeting Postponed

NEW YORK, Monday (Reuter). — The meeting of the U.N. Security Council scheduled for tomorrow, on the Israel-Jordan situation, was cancelled tonight.

A new date will be arranged by the President, Sir Pierson Dixon of Britain.

It was understood that the reason was that some Council members desired more time to study the legal point raised by Israel regarding the acceptance by Jordan of the Charter provisions for pacific settlement of disputes.

State Lottery Hit In Knesset

The new IL.6,000,000 instalment of the National Loan, with prize drawings, presented by the Finance Minister, Mr. Eshkol, in the Knesset last week, was debated yesterday before being returned to the Finance Committee for further study.

The debate centered around two points, disagreement on which was mainly a matter of degree.

Both points were introduced by Dr. H. Rubin (Mapam), the first speaker, who said that there would be no need for prize drawings as an incentive for the public to buy the loan if Israel's currency was stable, and there was not the fear that the real value of the loan would vanish long before it was repaid. He recommended that the value to be repaid should be pegged to the C-of-L index to ensure confidence. He also charged the Government with, in effect, robbing the small man of his savings by its policy of currency devaluation.

He protested on principle against the State Lottery, the booths of which with their signs of "5,000" (i.e., the prize to be drawn) were a temptation to the ignorant.

Mr. I. Harari (Progressives), protested in the strongest terms against the prize loans and lottery on ethical grounds, and noted that Israel law forbids the organizing of lotteries by private persons. "What good is it that Ben Gurion went to the Negev to show the young people where their road lies,' if the Government offers them lotteries with hopes of unearned profit in the towns?" he demanded.

Mr. Eshkol, in summing up, stated that the question of pegging the value of repayments in some way was now being studied by the Committee.

Income Tax Debate Along Familiar Lines

Familiar paths were pursued in yesterday's debate on the amendments to the Income Tax Law. The debate will continue today.

Mr. H. Ariav, (General Zionists), announced that he would free himself for this occasion from coalition discipline, and claimed again that but for the unjustified exemptions granted "to that sector which has 60 per cent of the turnover, and only pays 3-4 per cent of the tax," the Government would have sufficient income.

Mr. K. Loz (Mapai) said that while under the Mandate the kibbutzim had been exempted from income tax, they had started paying in 1950/51. In the calculation of tax rates, they benefited from the fact that all women in the kibbuz could claim exemption as working wives, and that the kibbutzim had taken in an average of one immigrant child per family unit.

Employed Physicians Begin 3-Day Strike

The Israel Medical Association announced last night that it had instructed all salaried physicians to strike for three days as from today.

A last-minute attempt at mediation by the Knesset Committee yesterday failed.

Magen David Adom stations will be open, and will have larger staff where necessary. Hospital receiving rooms will also be reinforced.

Physicians in villages and in hospitals will be on Sabbath schedule. Physicians will not work at all in the clinics of Hadassah, Kupat Holim, the Government and Municipalities. Those whose duties are administrative will not appear for work, except in emergencies.

The Medical Association underlined the fact that emergency aid will be given and that it is the responsibility of the Association's branches to see to it that no emergency case goes unattended.

There will be no classes at the Medical School nor at schools for nurses.

The Finance Committee, which met three times yesterday, also devoted most of its time to the doctors' problem. A medical delegation was received by it in the afternoon, which included salaried doctors from various parts of the country, as well as one representative of the self-employed members of the profession.

Position Outlined

At a later session of the same committee Mr. Eshkol, the Finance Minister, outlined the government's position on the doctors' salaries, and stated that it was impossible to include this extra burden in the current budget. Mr. Rokach, Minister of the Interior, also spoke. Mr. Serlin, the Minister of Health, is abroad.

At a meeting called at a late hour, Dr. Avigdori, Chairman of the Jerusalem Medical Association, told the press that the doctors had made a first request for improved salary scales about six months ago. He claimed that the request had not been seriously considered until after the warning strike last month. Subsequently, they had been told by the Ministerial Committee that salaries would not be raised during the current year.

The Knesset had taken no interest in the matter, he said, until it was raised by Dr. Sneh last week. Even at yesterday afternoon's meeting, he claimed, Mr. Guri, Chairman of the Finance Committee, had refused to ask the doctors to postpone their strike, although members of the Committee had pressed him to do so.

Dr. Avigdori added that the Emergency Committee of the Medical Association had already decided on a strike of unlimited duration to begin on June 1, in the event of their requests not having been met by that time. On Wednesday self-employed doctors would call a sympathy strike from 11 a.m. to 1 p.m., he said.

Histadrut Warns Kupat Holim Doctors

TEL AVIV, Monday. — Doctors in the Histadrut Sick Fund were warned tonight by the Histadrut Secretary General, Mr. M. Namir, that if they strike tomorrow, as ordered by the Israel Medical Association, the Histadrut will have to fight them for breach of discipline, regardless of the merits of the case.

Under the agreement, signed three years ago between the Histadrut Trades Union Department and the Medical Association, all professional demands by Kupat Holim doctors should be settled by direct negotiations with the Histadrut. It was a breach of agreement, therefore, when the Medical Association, in introducing their demands to the Government, informed Kupat Holim doctors that they too had to strike.

Demands Unacceptable

Mr. A. Becker, head of the Trades Union Department of the Histadrut, told an extraordinary meeting of the Histadrut Executive tonight that the doctors' demands were unacceptable, as they would place an impossible burden on the country's economy. Under the Medical Association scheme, a chief physician with 25 years of practice would receive IL.805 a month, as compared with IL.380 he gets now. The wages of a senior doctor would jump from IL.337 to IL. 633, and those of an assistant physician, from IL.273 to IL.464.

Over 80% of Kupat Holim doctors have been doing extra work as private practitioners, although this was opposed by the Kupat Holim management. Rural doctors get a IL.70 to IL. 200 monthly increase and urban doctors a IL.25 to IL.170 extra income from authorized extra work.

If doctors insist on their request, it would require the reshuffling of the whole structure of the Sick Fund Organization, and, in fact, might lead to the complete disorganization of public health schemes in this country, Mr. Becker said.

Speaking for the doctors, Dr. S. Malz and Dr. Vengryn stated that the key to their demands was the high income tax they were obliged to pay. When the unified schedule of payments for all salaried doctors was introduced two years ago, the doctors were promised that they would get substantial income tax exemptions. These had not been given, however. "We want an average real income of IL. 300 a month," they explained.

RISK EXPULSION FROM HISTADRUT

TEL AVIV, Tuesday. — The Histadrut Executive last night decided by 29 votes to nine to call on Kupat Holim doctors not to strike, warning them that if they strike, their organization would be expelled from the Histadrut and their leaders called before the Histadrut Court of Honour.

The Executive, decided to set up a public committee to enquire into the conditions of work and the living standards of public health workers, giving special consideration to income tax problems.

CREDIT CONTROL VITAL, HOROWITZ

Control of credits must be continued, since it is one of the most important weapons in guiding our economic development, Mr. David Horowitz, Director-Designate of the State Bank, said in Jerusalem yesterday at a meeting of the Economic Advisory Council of the Prime Minister's Office. Mr. Peretz Naphtali, Minister of Agriculture, presided.



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RICHER FLAVOUR THROUGH MACEDONIAN TOBACCO

Social & Personal

The President yesterday received a delegation of the Hitachdut Olei Rumania, consisting of Messrs. Baruch Kamin, Barzilai, Radin, Telemzo, Shlusser and Julis. They discussed problems of Rumanian immigration.

The President yesterday also received Mr. Asher Benroy, President of the World Sephardi Federation, on the eve of his departure from the country. Mr. Benroy was accompanied by Mr. B. Shitreet, the Minister of Police.

The President and Mrs. Ben-Zvi visited Barnea, in Ashkelon, on Sunday. Mr. Uri, of the Department of Antiquities, conducted them through the archaeological excavations and they were then shown the Yuval Gad pipe factory. They were accompanied on the entire tour by Dr. Henry Sonnabend, Chairman of the Ashkelon Local Council.

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The Soviet Minister, Mr. A. N. Abramov, visited Beersheba and S'dom yesterday. He was accompanied by Mr. M. Peled of the Ministry of Defence and Mr. A. Zipstein, Director of the Potash Company.

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The 1954 award of the Yehudith Schwabe Memorial prize in Classics at the Hebrew University will be made at 4 p.m. today in the Senate Room of the University, Administration Building, 67, King George Road (fourth storey).

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Dr Hans Kalmus, Lecturer in Genetics at the University of London, is to deliver a guest lecture on "The Communication Theories and the Biological Sciences" under the auspices of the Hebrew University at 8.15 this evening in the Assembly Hall of the Faculty of Science, 29 Rehov Mamillah (ground floor). The public is invited.

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An exhibition of drawings by Miriam Baruch will be opened at the Mikra Studio, Tel Aviv at 6 p.m. today.

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The Annual Ball of the Haifa Rotary Club will take place at the Meggido Hotel, Haifa, at 9 p.m. today.

S. African Hostel In Givat Rambam

Jerusalem Post Reporter

TEL AVIV, Monday. — An immigrants hostel of the South African Zionist Federation was dedicated in Givat Rambam, near here, today, in the presence of several hundred South African visitors.

The hostel, designed to afford convenient home-like quarters for newcomers to Israel before their integration into the country, contains 37 rooms, — 12 single and 25 double — with kitchens and baths. They will all be ready for occupation shortly.

The building includes the "Mahal Hall," dedicated to the memory of South African volunteers who fell here in the War of Independence.

A plaque commemorating the fallen was unveiled today by the Chief Rabbi of Johannesburg, Dr. L. Rabinowitz.

Where to go.

JERUSALEM

★ **Lecture:** —
Dr. I.B. Nash, Professor of Education at New York University: "Physical Training and Health," Terra Sancta, Room 71, 4 p.m.

★ **Exhibitions:** —
Exhibition of "Small Greek Sculpture", continuing exhibition of oils and charcoal drawings by Litvinovsky. Display of Pessach and Omer utensils. National Museum Bezalel, 9-1, 3-6 p.m.

★ **Library:** —
American Library and Reading Room, U.S. Consulate, Mamillah Rd. Entrance free, 9-1, 3-6.

★ **Archaeology:** —
Department of Antiquities. Special exhibition chalcolithic objects from Tell Abu-Matar, near Beersheba. Rehov Shlomo Hamelech. Open 9-1, 4-6.

★ **Tours:** —
Hebrew University conducted tour, new administration building, King George Ave., opposite Terra Sancta, 10 a.m.

★ **Film Shows:** —
Keren Hayesod, for tourists and visitors, 11.30 a.m.

TEL AVIV

★ **Theatre:** —
"The Trouble Makers," Chamber Theatre, Mograbi, 8 p.m.

★ **Entertainment:** —
Concert at Noga Cafe, from 8 p.m. to 12 midnight
Dance and dine at the Cocktail Bar.

HAIFA

★ **Exhibition:** —
Exhibition of Pastels and Oil paintings by Bianca Tauber — "Traslyn" Art Gallery, 4 Rehov Raerwald, (Opp. Zion Hotel), 10-1, 3-7 p.m.

★ **Entertainment:** —
Dancing-Floorshow at Ciro Bar.

RAMAT GAN

★ **Entertainment:** —
Redley's Ice Revue at the Ziratron, 4 and 8.30 p.m.

TEL ADASHIM

★ **Theatre:** —
"Pygmalion," Chamber Theatre, 8 p.m. (all tickets sold out).

REHOVOT

★ **Theatre:** —
Habimah, "Macbeth," 8 p.m.

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LAW REPORT

THE JERUSALEM POST

May 18, 1954

In the Supreme Court Sitting as Court of Civil Appeal
Before Justices Agranat, Sussman and Landau

Director of Department of Land Betterment Tax, Appellant, v. Aharon Valero and Others, Respondents. (C.A. 119/51).

POWERS OF APPEALS COMMITTEE DEFINED

The Court of Civil Appeal dismissed an appeal against a decision of the Jerusalem Committee which deals with appeals in the matter of Land Betterment Tax.

The respondents, Aharon Valero and others, inherited a plot of land adjacent to Kupat Holim, Jerusalem, in 1945. In 1950 they sold the plot at IL.8 per Pic. The Director of the Department of Land Betterment Tax thereupon taxed the respondents on the profits which he estimated they would have made had they bought the plot instead of inheriting it. He based his calculations on the assumption that the land had been worth IL.5 per Pic in 1945.

Aharon Valero appealed against this assessment to the Appeals Committee set up by the Minister of Justice to deal with matters pertaining to the Land Betterment Tax. This Committee, after hearing the evidence of several witnesses and after examining the prices obtained for various plots of land in 1945, decided that the Director had been mistaken in his estimate and that the land had been worth approximately IL.8 per Pic in 1945. They therefore exempted the respondents from Land Betterment Tax.

Grounds of Appeal

The Director thereupon appealed to the Supreme Court sitting as a Court of Civil Appeal, according to Section 14 of the Land Betterment Tax Law. Mr. S. Kwart, Assistant Attorney General, who appeared on behalf of the Appellant, argued that the Appeals Committee were empowered to interfere with a decision of the Director only if they found that he acted arbitrarily, but not when they merely disagreed with his assessment. He submitted that this was also the case in matters of Income Tax and in various other instances.

Mr. Kwart argued further that the evidence produced before the Appeals Committee was contradictory and should not have served as a basis for the Committee's decision.

Judgment

In a judgment delivered by Justice Landau, the Court held that it was not prepared to accept Mr. Kwart's definition of the Appeals Committee's powers. According to the law, the Director is merely an administrative official who makes his decisions without taking any evidence.

The Appeals Committee, on the other hand, is the first body which is empowered to examine witnesses and to establish its finding in a judicial or quasi-judicial manner. In reaching its conclusions, this Committee may rely entirely on its own discretion, using the decision of the Director only as a guidance, and anyone appealing against a decision of the Director must prove his case to the satisfaction of the Appeals Committee.

Since the discrepancy between the Director's estimate of the price of the land in 1945 and that of the Appeals Committee was so substantial, it was obvious, in the light of the evidence before the Committee, that the Director had been mistaken in his valuation.

The Court pointed out that its definition of the powers of the Appeals Committee applied only to the Committee appointed under the Land Betterment Tax Law and not to any other committees set up under the other laws quoted by Mr. Kwart, and as to whose functions the Court expressed no opinion.

As for the appellant's claim that the evidence was scanty and contradictory, the Court found that there were not sufficient grounds for it to interfere with the factual findings of the Appeals Committee.

The appeal was dismissed and the appellant ordered to pay the respondents IL.100 costs.

Judgment given on May 13, 1954.

For the Appellant: Mr. S. Kwart.

For the Respondents: Mr. A. Valero.

DEMOCRATS ATTACK FOREIGN POLICY

Lehman Hits Dulles' Policy of Retaliation

NEW YORK, Monday (UP). — Senator Herbert H. Lehman, of New York, joined the Democratic assault on Administration foreign policy yesterday with a charge that the theory of massive retaliation recently announced by Secretary of State John Foster Dulles is "a total fraud."

Mr. Lehman accused the Republicans of "reckless" use of words and attempts to sell "shallow slogans" to win elections. He said that the Administration had shown an apparent desire to play a "domineering role" in its relations with other nations.

The Democratic Senator, speaking at the 60th anniversary celebration of the Ukrainian National Association, also referred to "Congressional demagogues" as harmful to U.S. prestige. He said that the world has been "poorly impressed" recently with U.S. sincerity as a leader of the forces of freedom, and added:

"We cannot ask the world to recognize us as the champion of freedom if we, in our country, show an abject fear of freedom, and permit Congressional demagogues to ride rough-shod over all individual rights and decencies."

Bipartisan Foreign Policy Predicted in US

WASHINGTON, Monday (UP). — The formulation of bipartisan foreign policy by Democrats and Republicans was predicted on Sunday night by Sen. Mike Mansfield. He criticized the Republican Administration for failing to consult with Democrats in the past.

"Only when the going gets tough, as it has in recent weeks, does bipartisanship sink in," Sen. Mansfield, Democrat member of the Senate Foreign Relations Committee added.

He praised the Senate Republican leader, Mr. William Knowland, and Senate Democrat leader, Mr. Lyndon Johns, for their efforts to bring about bipartisanship, and stated that credit is also due to President Eisenhower "for his statement at his last news conference that the Democrats are loyal."

RESERVOIR. — Radio Peking announced today completion of China's largest river reservoir which will increase grain production by 50,000 tons. It took 30,000 workers two-and-a-half years to complete the Kuanting Reservoir on the Yungting River, Hopei Province.

US Leadership At Low Point—Kefauver

TOPEKA, Kansas, Monday (UP). — America's world leadership is "at its lowest point since the United States entered World War II," but there are "encouraging signs" of a return to a bi-partisan foreign policy, Democratic Senator Estes Kefauver said last night.

In a speech at a Jefferson-Jackson Day dinner, Senator Kefauver charged that the Eisenhower "great crusade was predestined to cough and sputter and finally stall like a broken-down circus wagon."

Mr. Kefauver said that in the past two years the nation has witnessed the decline of American leadership of free world forces.

"Foreign policy, as it ought never to have been, was made a major issue in the campaign of 1952. The irresponsibility demonstrated by attacks on American foreign policy plagues our nation today," he told the Democratic audience.

"The conference at Geneva was a failure before it started. We sent to Geneva a Secretary of State who did not have the full confidence and support of members of his own party in the Senate."

Israel Carp in Mexico

Yields of Israel carp which were sent to bolster Haiti's low supply of fish have increased to a point where their produce has already been sent on to Mexico, the U.N. Food and Agriculture Organization announced yesterday.

Mr. Shimon Tal, Israel fishing expert, and Mr. Jose Alvares, director of Mexico's fishing division, have been in Haiti under the auspices of the F.A.O. to learn new methods of increasing fish yield.

The Israel carp, which reached Haiti in September 1953, have increased in weight from an average of about 150 gms. to an average of about 4 kgs. One hundred fish from the first Haitian yield last February have been sent by Mr. Alvares to Mexico to breed there.

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LAST PERFORMANCE
May 19, 1954
ZIRATRON RAMAT GAN

Yesterday's Press

Foreign Policy Supported

The newspapers that speak for the three main coalition parties discussed foreign policy questions yesterday, each from a different point of view. "Davar" (Histadrut) notes the agreement voiced more or less wholeheartedly in the Knesset with the basic tenets of our policy. "Haboker" (General Zionist) feels our diplomats and other representatives abroad do not make sufficient use of public relations, be it through personal contact or through the release of informative material, so that the West has come to accept the Arab view out of ignorance of the facts which we could have presented.

Citing the refugee problem as a typical example, "Haboker" also comments on the artificial swelling of the population of the camps, to which native Syrians and Egyptians have streamed in great numbers in search of better conditions. Miserable as the "refugees" in the camps may appear to foreign observers, the paper continues, they are still a good deal better clad and fed — by courtesy of the international agencies — than the native population around them.

Ample Justification

"Hatzofe" (World Mizrahi Union) remarks that the anti-Israel behaviour of the Jordan Mixed Armistice Commission, which has verged on absurdity since our representatives left it, provides ample justification for our move by demonstrating how unobjective the MAC was. Praising the Government for not yielding to pressure to return to the Commission, the paper sees in this a possible tactical bargaining point to get the Powers to give a renewed guarantee of our frontiers and to force Jordan's compliance with Article 35 of the U.N. Charter.

The past month's stationary cost-of-living index moves "Al Hamishmar" (Mapam) and "Hamodia" (Agudat Israel) to present the economic policies which, in their respective opinions, will do away with inflation in the future. "Hamodia" feels a wage freeze is the remedy, and calls on the Government to stand firm in face of such pressure as that of the salaried physicians (the doctors' claims are favourably reviewed in the leader of "Zmanim", the Progressive newspaper.)

"Al Hamishmar," on the other hand, is bitterly critical of the "hard money" policy of the Government (subsidy reductions, stiffer dollar rates for officially authorized imports, etc), and demands instead higher progressive taxation and a stop to the transfer of our capitalists' profits abroad. "Zmanim," (Progressive) finally, feels the present index as a whole is invalid and unreliable, and calls for a revision to restore public confidence in it.

Plan Attacked

The report of Mr. Shinnar, head of the Reparations Purchasing Mission to Germany, is critically reviewed by "Hamodia," which fears reparations payments were diverted to consumption, warns against the introduction of German technical experts as a first step on the road to diplomatic recognition, and would like to know to what extent the Government approved Mr. Hillel Dan's plan for the utilization of reparations.

The plan itself comes in for a strong attack in "Ha'aretz" (Independent), which points out that Mr. Dan is also head of one of our most powerful enterprises — and that reparations payments make up fully a fifth of our foreign income. Asking why Mr. Dan was allowed to make the plan and the Economic Ministries merely had to approve it, "Ha'aretz" demands publication of all the details.

"Discrimination"

In connection with the interruption of "Magen David Adom" service to Corridor settlements, "Herut" complains of discrimination against the Jerusalem area in such fields as provisioning and employment, and notes that the welfare of the capital should be the concern of the whole nation, and not just a municipal affair.

"Omer" (Histadrut) warns against the ulterior political motives of the "Committee for Peace in Israel" in circulating its petition about peace with the Arab states, the wording of which casts aspersion on the sincerity of our Government in dealing with this issue, and insinuates that it is Israel which is to blame for the tension. "Kol Ha'am" (Communist) deals with the dark plots of the American diplomats who met in Istanbul, and "Ha'aretz" believes Korea will remain divided for some time to come.

Background to Cemetery Damage

Jerusalem Post Reporter

HAIFA, Monday. — The Municipality's Inspector of of Cemeteries of the Minority Communities here, Mr. A. Toren-Hibbler, yesterday provided some background information on the damage done in the Greek Catholic cemetery in Derech Ha'atzmaut here several weeks ago.

He explained that the Greek Catholic community, the largest Christian community in the town, had used the small graveyard for some 200 years. Originally the cemetery totalled about eight dunams. About 10 years ago the community received a 50-dunam plot next to the Jewish cemetery, at Carmel Beach, where a new cemetery was established, and the community planned to transfer the old graveyeard there, and sell the plot.

However, a few years ago, the community, which is led by Archbishop George Hakim, removed a number of graves and sold about half the ground, on which buildings were then erected.

Health Regulations

About two years ago, Mr. Toren-Hibbler met the representatives of all the Christian communities in the town and asked that the normal health regulations be observed when burying the dead or transferring remains. He also asked the Greek Catholic community to take care of the old cemetery, clean it and put it in order.

The representative of the Archbishop who attended the meeting then stated that his community could not bear this expenditure. He also stated, Mr. Toren-Hibbler reported, that it was not worthwhile to enclose the cemetery properly against any possible intruders, as it would shortly be transferred to the new site at Carmel Beach. Consequently the cemetery was left unguarded, improperly closed, and in a bad state of neglect.

In the circumstances, and considering that the cemetery is situated on a busy thoroughfare, it was surprising that no damage had been caused before this, Mr. Toren-Hibbler said. The regrettable incident complained of was the first of its kind, he said.

"A-Sareeh," the Jordan weekly, carried on Sunday three pictures of broken crosses in the cemetery and the protest demonstration in Haifa's Rehov Jaffa. "We were able to secure these photos through our special journalistic connections in Israel," the paper boasted.

ON THE AIR

JERUSALEM: 467 M. HAIFA: 249 M. TEL AVIV: 33.8, 48.9 & 522 M.
FIRST PROGRAMME
News: Hebrew: 7 a.m., 1.30, 6.00, 6.15, 8.30 & 11.00 p.m. Arabic Programme (including News): 8 a.m. 2.15 and 6.30 p.m.
6.30 a.m. Service. 6.35 Exercise. 8.45 Musical Clock (R). 7.15 Melodies (R). 8.30 Close Down.
12.00 N. Music at Noon. 12.30 Housewives' Corner. 12.50 Light Music (R). 1.45 Break for Music (R). 3.00 Close Down.
4.00 p.m. Programme for Hospitals. 4.25 Light Music (R). 5.05 Agricultural Programme. 5.15 Language Corner. 5.30 Children's Hour. 6.00 Haifa Programme. 7.35 Sports. 7.45 Noah's Ark. 8.45 Newsreel. 9.00 Kol Yisrael Orchestra. Conductor: Heins Freudenthal. Soloist: Maya Orion. Mendelssohn Programme: Overture "Fingal's Cave"; Capriccio for Piano & Orchestra; Arias from "Elijah"; Symphony No. 4. 10.30 Requests (R). 11.05 Close Down.

SECOND PROGRAMME
459, 225, 215 & 48.9 M.
English News: 1.45 p.m. 10.15 p.m. French News: 2.00 p.m.
IMMIGRANTS' HOUR (33.3, 34.9 & 469 M.): 6.00 p.m. Programme for Yemenites. French: 6.30 p.m. Ladino: 7.00 p.m. Yiddish: 7.30 p.m.
KOL ZION LAGOLA (33.3 M.): 11.15 News. 11.25 Names in the News. 11.30 "On Behalf of Israel." 11.45 Kol Zion Choir.
ARMY PROGRAMME (44.6, 216, 225 & 229 M.): 6.00 Opening. 6.35 "Bow and Arrow." 7.00 Galei Zahal Orchestra. 7.30 Today's Events. 7.35 Light Music. 7.45 Noah's Ark. 8.30 News. 8.45 Night Music. 9.15 Dance Music. 10.00 Close Down.
B.B.C. HEBREW BROADCASTS (24.80, 34.92, 30.58, 30.90 M.): 6.30-7.00 p.m. News. "This England." Treasury of the Mind.
VOICE OF AMERICA English Broadcasts: (16.9, 19.6, 41.4 M.): 5.00-5.30 p.m. Repeated at 8.00-8.30 p.m. on 25.6 & 31.2 M.

EMERGENCY PHARMACIES

Jerusalem: Geula, 14 Geula, 4850. Hom, 50 Ussishkin, 8001.
Tel Aviv: Tabachnik, 17 Allenby, 4553. Kulton, 25 Basle, 28006. Pilersdorf, 27 Nahla: Binyamin, 4088. Mossoon, 83 Ben Yehuda, 22481. Hadassah, Hatikva Qr., 67694. Jaffa: Noga, near Noga cinema, 81896. Ramat Gan: Orion, 19 Arlosoroff. Givat Rambam: Rambam.
Haifa: Assuta, 56 Herzl, 2706. New British, 47 Jaffa, 4726. Kiryat Bialik: Bialik, 7206.

EMERGENCY PHYSICIANS

Jerusalem: Dr. M. Schumert, 19 Ben Yehuda, 61474. Dr. L. Romanoff, 61277.
Tel Aviv: Dr. M. Shaham, 1 Byrkin, 25942. Dr. N. Sacher, 165 Dizengoff, 6833. Dr. E. Levitzan, 11 Hayarden, 66507. Jaffa: Dr. Alcalai, 65 Rehov 4. Dr. Weinberg, 4 Rehov 65.
Haifa: Dr. H. Sherman, 3 Hanevi'im, 3424. Dr. A. Rosenbaum, 31 Moria, Mt. Carmel, 3216. Dr. N. Landau, 4 Mahanayim, 6832.

At the Cinema

IN describing a forlorn village in the hills near Naples, and the poverty and occasional scurrility of its inhabitants, Renato Castellani, the director and scenario writer of "Duo soldi di esperanza" (at the Allenby, Tel Aviv), gives a vigorous example of Italian film realism. Fortunately, he has humour enough to brighten his grim story with a series of incidents which provide comic relief.

Besides the two professional actors, Vincenzo Musolino and an interesting Maria Fiore, the film is crowded with revealing and amusing people from the countryside who give the work a documentary flavour. The bad projection of the first performance on Saturday night was rather irritating.

The French film "La route du bonheur" (at the Mograbi) is some type of musical. Jazz orchestras (Louis Armstrong's among them) and dancers are combined in a variety show which is poor in ideas as well as in talent. The love interest of a roving radio reporter provides the "plot." Mo.

War-Time Revival

THE Orah, Haifa, is reviving the war-time Ginger Rogers and Joseph Cotten film, "Til Be Seing You." Although obviously dated, this film about the mutually beneficial contact of two battered souls, the girl granted a holiday in the middle of a long prison sentence and the soldier convalescing from shell shock, has a certain sentimental wistfulness. The sentimentality is hightened by the background of family life: the wistfulness is provided by the capable performance of a much younger Ginger Rogers. Equally direct is the acting of Joseph Cotten and a good point is afforded by the manner in which patronising well-wishers gradually lead him to a nervous breakdown. H.

JERUSALEM CINEMAS

at 3, 6.30 & 8.30 p.m.
ARNON: The Vanquished.
EDEN: Because You're Mine 2nd week.
EDISON: Fair Wind To Java.
ORGIL: Iron Mistress, 2nd week.
ORION: Return to Paradise.
ORNA: The Jazz Singer.
STUDIO: La Minute de Verite.
ZION: The Rains Came.

800,000 Liable For National Insurance

Jerusalem Post Reporter

National Insurance will be the biggest "collection agency" in the State, with more than 800,000 persons liable for payments — double the number of income-tax payers, Dr. G. Lotan, Director of the National Insurance Institute, told the Press in Jerusalem yesterday after a month's operation of the Insurance Law.

Arrangements have been made whereby employers and employees may, if they choose, pay insurance premiums jointly with income-tax. The alternative of paying directly to one of the Institute's 17 branches was provided on the suggestion of the Insurance Advisory Council, to remove the "unpleasant feeling associated with income-tax." On June 1 independent workers will be asked to notify their choice of method of paying insurance premiums.

The Ministry for Social Welfare has agreed to insure all persons dependent on Government relief or subsidies. Thus in three years' time, old folk under Ministry for Social Welfare care may claim pensions from National Insurance. The Army has also consented to pay a reduced premium for men in the services.

Housewives under 55 may register for National Insurance separately from their husbands, instead of remaining in the category of "dependant." The housewives' premium has been fixed as a third of the husband's payments. The final date for registering is September 30, 1954, except for women marrying after that date.

Dr. Lotan noted that many problems had arisen in connection with unemployed persons. Day labourers must be insured by their employers according to the number of days worked. The Insurance Institute has yet to determine how long a man may stay jobless and still be considered an employee. Anyone without work for a considerable length of time will probably have to contribute a minimal sum towards insurance.

Only a small number of applications for maternity leave with pay have been received by the Institute in its first month, because most women receive benefits according to the old Law until they have been members of National Insurance for 10 months. Claims for work-injury compensation also came slowly in the first weeks, because the public did not know where to apply.

About 250 claims are being handled in the Jerusalem, Tel Aviv and Haifa offices. The other branch offices will commence receiving injury claims this month. From five to 10 days are needed to clear a claim, provided that the necessary documents — medical certificate, etc.—are in hand. Many regulations still have to be drafted by the Ministry of Labour in connection with workmen's injury compensation.

Several large concerns, employing 500 workers or more, Soiel Boneh, for example, intend paying injury benefits independently, and contributing less to the Institute for injury compensation. The Law provides for such a collective agreement.

JORDAN DENIES TIES WITH USSR PLANNED

The Jordan Foreign Ministry on Sunday officially denied Amman press reports that negotiations have opened between Jordan and the USSR for the establishment of diplomatic relations, according to the Old City daily, "A-Diffa."

dents Sports Day

The annual Students Soprts Day, organized by the Hebrew University Students Association, is to start tonight with exhibitions in fencing, gymnastics and rhythmic exercises at the Edison Cinema. Tomorrow — Wednesday — a full sports day is to be staged on the Y.M.C.A., Jerusalem, commencing at 8.30 a.m.

Five Faculties of the University and a team from the Bezalel School will be participating in the events, which will include light athletics, swimming, volleyball, basketball, handball and table tennis.

The finals of the track and field events will be held between 4 and 6 p.m. on Wednesday, and a soccer match against Jerusalem Maccabi and handball versus a High Schools team, is scheduled for the afternoon too.

SERLIN TO CHILE

BUENOS AIRES, Monday (UP) — Dr. Joseph Serlin, Minister of Public Health, will fly to Santiago, Chile, today, ending a visit here as guest of the Argentine Government.

DISTRICT COURT OF HAIFA
P.B. 113/54

In the matter of the late Moshe Salman who died at Bulawayo, Southern Rhodesia, on Aug. 2, 1953. Petitioner: Chana Salman of Southern Rhodesia. Summons — let all persons take notice that Chana Salman has applied to the District Court of Haifa for an order declaring the succession of the late Moshe Salman and that the said application will be heard on June 9, 1954, at 11.30 a.m.

Any person claiming any interest must appear at the said place and date, otherwise such order will be given as to the Court seems right.

Date: May 14, 1954.

S. HAZI — Registrar

DISTRICT COURT OF HAIFA
P.B. 116/54

In the matter of the late Dr. Israel Abraham Rabin who died at Haifa on September 18, 1951.

Petitioner: Dr. Elsa (Esther) Rabin. SUMMONS — let all persons take notice that Dr. Elsa (Esther) Rabin has applied to the District Court of Haifa for an order declaring the succession of the late Dr. Israel Abraham Rabin and that the said application will be heard on June 9, 1954 at 10.45 a.m. Any persons claiming any interest must appear at the said place and date, otherwise such order will be given as to the Court seems right.

S. HAZI — Registrar

Date: May 14, 1954.

RESIDENTIAL-ULPAN "AKIVA"
PATANYA.
On May 2, 1954 began the new courses organized by the Ministry of Education and Culture and the Jewish Agency. The Ulpan will last 5 months, in a new building, on a full board basis, including trips and lectures.
A limited number of vacancies still available.
Contact the offices of the Jewish Agency in Tel Aviv, Jerusalem, Haifa.

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Today's Post Bag

THE WEATHER

	*A	B	C	D
Mt. Cana'an	34	12	36	36
Tiberias	33	15	—	33
Haifa Port	73	16	22	22
Natanya	70	13	23	23
Tel Aviv	69	13	25	25
Tel Aviv Port	63	14	21	21
Lydda Airport	80	10	27	27
Jerusalem	32	14	27	27
Beersheba	41	8	—	27
Eilat	16	17	35	35

FORECAST: Warm, mainly in the interior of the country and in the hill regions. Cooler towards evening.

*A) Humidity at 3 p.m. B) Minimum temp. C) Maxim yesterday D) Maximum temp expected today

• • •

GOVERNMENT BANK CREDIT, including foreign currency, decreased by IL.2.8m. in the period January-March, the Treasury spokesman announced in the Capital yesterday.

• • •

IN ELECTIONS for the district committee of the Jewish Agency employees in Jerusalem held on Sunday, seven Mapai and two Hapoel Hamizrahi members, one Progressive and one Mapam member were elected. A total of 650 out of 900 eligible voters participated.

• • •

EVERY EMPLOYED youth must possess a "personal work card," as stipulated in the Youth Labour Ordinance. The cards are obtainable at the Youth Labour Organizations and the District Labour Offices in Tel Aviv and Haifa. Employers are forbidden to employ any youth not in possession of a work card.

• • •

A BAZAAR for the benefit of the children's institutions of the Working Mothers' Organization opened on Sunday at the Tel Or Cinema in Jerusalem.

RENT TO FIGURE IN C-o-L INDEX

Jerusalem Post Reporter

The Central Bureau of Statistics and Economic Research did not include the rent increase in computing the cost-of-living index, which, as stated yesterday, showed no change last month. Rents are due to rise following the recent passage of the Tenants' Protection Law.

However, Dr. Aryeh Nitzan, Director of the Bureau's Index Computation Department, told *The Jerusalem Post* yesterday that the Bureau is prepared to include the increase in a manner to be determined by a survey which the Bureau will carry out. A meeting of the Bureau's Advisory Committee, consisting of representatives of the Government, the Histadrut, the Manufacturers' Association and economists, will be asked to propose methods of conducting the survey.

It is believed that the Committee will consider to what extent workers (who are the class protected by the index) own their own homes, and are therefore not affected by the increase.

USOM Team Probes Industrial Prospects

TEL AVIV, Monday. — Mr. Harry J. Robinson, Mr. J. Knight Allen, Mr. William Bredo and Mr. Carl A. Trexel, Jr., under contracts with the U.S. Operations Mission, visited Mr. Arye Shenkar, President of the Manufactures' Association, here last week.

Mr. Shenkar introduced them to officials of the Association in charge of the departments of food, textiles, metals, chemicals and pharmaceutics.

The visitors represent a team of industrial and economic experts from the Stanford Research Institute who are at present engaged in surveying Israel industry with the purpose of finding out the most desirable and effective way of sponsoring its development.

Wizo Founds Second Creche in Beersheba

Jerusalem Post Reporter

BEERSHEBA, Monday. — The cornerstone of a second Wizo nursery was laid here today in the presence of the Mayor, Mr. D. Tuviyahu, and a Wizo delegation of members from Mexico.

The nursery, designed for 60 babies from six months to four years old, will be built mainly with donations from Wizo in Mexico. Wizo already has one nursery here for 50 children.

A club house and recreation centre at the Wizo pre-vocational school for girls in Rehovot is to be built with the help of a $2,500 donation from Mr. A. Lerner of Brazil, it was revealed today. The club will be named for Mrs. Sara Lerner, the donor's wife, an active member of Brazilian Wizo.

War Victims From N. Africa Honoured

North Africans who fell in the War of Independence were commemorated on Sunday at a meeting of settlers from North Africa in Beersheba.

The Minister of Police, Mr. B. Shitreet, the Mayor of Beersheba, Mr. D. Tuviyahu, and representatives of the North African Immigrants' Association and of the Jewish National Fund were among those present.

Mr. A. Hassin, Chairman of the Association, announced plans for honouring the fallen by laying out a boulevard on the Merhavim highway in the Negev.

RATION NEWS

JERUSALEM: Eggs: 3 eggs Tet 15, temp. 5. White flour: 1 kg. Tet 6 temp. 14. Live carp: 150 gms. Tet 2, temp. 42. Fillet: children up to 12 yrs. 200 gms.

TEL AVIV DISTRICT: Eggs: Invalids: on 4 eggs, Het Aleph 1, 3 eggs on Het Bet 7, 8 eggs on Het Gimel 19.

HAIFA and NORTHERN DISTRICT: Eggs: 3 eggs Tet 15, temp. 5. Pregnant women: 16 eggs, Heh 21 Vav 32 (old cards) or 27 and 28 (new cards). Invalids: Het Aleph 1, 4 eggs, 3 eggs on Het Bet 7, 8 eggs on Heh Gimel 19. Poultry: 250 gms. Het 28, temp. 44. Elderly persons 500 gr. Mem Heh 3. Invalids: 500 gr. Het Aleph 1 and Heh Bet 7. Expectant mothers 700 gr. Heh 70. Live carp 150 gr. Tet 3 temp. 44.

Lavon, Dayan Take Druze Unit Parade

By The Jerusalem Post Military Correspondent

GALILEAN HILLS, Monday. — As a finishing touch to the end of a training period, a Druze unit today went through the battle drill of an attack under fire, gave a judo display and held a parade taken by the Minister of Defence and the Chief-of-Staff.

Notables of the Druze community, headed by their two Knesset Members, their spiritual leader, Sheikh Amin Tariff, and over 2,000 Druze from Galilee villages watched the show.

Addressing the soldiers, the Chief-of-Staff, Rav-Aluf Moshe Dayan, said that Druze youths serving with the Defence Forces had proved "worthy sons of valiant fathers."

Druze units, he continued, were doing their part in maintaining order on the border. "You should know that the intrepid Druze people have friends and brothers-in-arms in the Army of Israel."

The display was held in a valley in which a tolerable *ad hoc* parade ground had been prepared. A grandstand had been especially built and the hillside was covered by villagers and their children. There were no women present.

Jet fighters performed aerobatics during an interval in the show.

Heilig Executives Jailed for Fraud

HAIFA, Monday. — The Heilig Clothing Co. Ltd., of Jerusalem, today were fined IL.12,850 by District Court Judge Y. Kahan, for a fraudulent attempt to obtain a refund of customs dues, for making a false declaration, for failure to pay customs duty and for selling a rationed commodity without a permit.

Hans Heilig and Friedrich Nathanberg, executives of the firm, were each sentenced to four months in prison. Heilig, Nathanberg and Shmuel Deutsch, another executive, were fined IL.3,100, IL.2,600 and IL.1,370 respectively. Heilig was also found guilty of paying a sum of money to a foreign tourist.

In 1952, the Heilig Co. contracted with a Swiss national to manufacture for him 2,500 pairs of trousers from his cloth. The supplier undertook to pay $5,000, $1,000 in cash and the rest in cloth.

The company was given an import licence on the condition that the trousers would be duly exported to Switzerland. The quantity of cloth supplied sufficed for only 2,000 pairs of trousers and the Heilig Co. claimed from the Customs Department a refund of duty paid on the cloth.

The claim was approved, but just before the money was refunded, it was discovered that only 500 pairs of trousers had actually been exported, the rest having been sold on the free market here.

A charge that the cases in which the trousers were shipped were "padded" with stones, was struck off the charge sheet at the request of the prosecution which is to file a separate action on this matter.

Immigrants from China En Route to Israel

GENEVA, Monday (UP). — Several immigrants bound for Israel are included in a group of 108 refugees from Communist China, the first group of which landed at Geneva airport yesterday.

This follows combined efforts for their resettlement by the Inter-Governmental Committee for European Migration and the Office of the U.N. High Commissioner for Refugees.

U.S. Press Silent On Rumanian Trials

NEW YORK, Monday.—"Congress Weekly," the official organ of the American Jewish Congress, has condemned "the lamentable silence of the American Press" over the recent trials of Jewish leaders in Rumania.

"It is regrettable," the paper said, "that these trials have not thus far aroused the indignant comment of the free press of the world which should be alive to the injustices being perpetrated against a defenceless minority." *(WJC)*

RIEGER MEMORIAL

A memorial service was held last night at the Faculty of Law in Jerusalem on the 30th day after the death of Professor Eliezer Rieger, former Director-General of the Ministry of Education.

Professor Benzion Dinur, the Minister of Education and Culture, opened the service by paying warm tribute to the deceased whom he described as an outstanding educator and exemplary organizer. Mr. A. Arnon, Chief Inspector of the Ministry, Dr. Z. Adar and Professor A. Dushkin also spoke.

Communists Blamed For Dacca Riots

KARACHI, Monday (Reuter). — Prime Minister Mohammed Ali today blamed Communists for the week-end riots in Dacca, East Pakistan, in which 206 people had died.

A statement issued after a Cabinet meeting here said that suitable measures to deal with the situation were being taken. Troops are patrolling the district and a curfew has been imposed.

NEGEV MARAUDING

Jerusalem Post Reporter

BEERSHEBA, Monday. — Infiltrators from the Gaza Strip last night stolen 20 aluminum pipes from kibbutz Havat Brair in the Western Negev, tracks led to the Gaza Strip border.

On the previous night, watchmen of kibbutz Zikim, in the Western Negev, dispersed by fire a group of marauders who tried to break into the pumping station of the kibbutz.

CURRENT CUTS

TEL AVIV, Monday. — Electricity cuts, each lasting about an hour, continued to plague various parts of the country today. The load-shedding is necessitated by repairs to one of the turbo-generators at the Reading power station here.

ISRAEL EXHIBITS

NEW YORK, Monday (INA). — Israel and Turkey are the only Middle East countries with booths at the International Import Exhibition which opened here today. The Israel booth is sponsored jointly by the Israel Chamber of Commerce and the Israel Consulate.

Agency Income Enough For Plans

The income of the Jewish Agency during the six-month period October, 1953 to March 1954, was IL.44.3m. and its expenditure IL.44,536,000, Dr. Giora Josephthal, Treasurer of the Agency reported yesterday at a meeting of its Executive.

Of the expenditure, IL.26,142,000 went for settlement purposes, IL.3,749,000 for youth immigration, IL.2,800,000 for immigrant absorption (including housing for professional and technical workers) and IL.5,600,000 for debt liquidation.

The remaining IL.6m. expenditure was not announced.

Dr. Josephthal expressed the opinion that all the departments of the Executive would be financially able to carry out their plans for the present fiscal year.

Meron Torch Kindling to Open National Lag B'Omer Festivities

The Meron Torch will be kindled on Mount Zion tomorrow evening to open the nation-wide Lag B'Omer festivities arranged by the Ministry for Religious Affairs.

The torch will be taken to Tel Aviv where it will be handed over, in a festive ceremony at the Bilu Synagogue, to a group leaving that night for Meron.

On Thursday morning, the torch will be lit at Elijah's Cave in Haifa, from where it will be transferred to Meron.

Particular care has been taken this year for the comfort of visitors to Meron. Special parking plots will be available for tourists, and the Tourist Centre has put up an information booth which will function throughout the festivities.

The traditional Scroll of the Law procession will begin at 4 p.m. on Thursday. At five o'clock a wood in memory of David Zvi Pinkas, Minister of Communications, will be planted by the Jewish National Fund. The kindling of the bonfire by the Army Chaplaincy will take place at 6:15 p.m., and the lighting of the torch at the traditional tomb of Rabbi Shimon Bar-Yohai will be at 7.30 p.m. Vehicles will not be permitted to go up to the tomb on Thursday.

A special post office will be opened at Meron for Thursday and Friday. All mail posted there will be stamped with a Meron postmark.

Visitors from abroad will be guests at a Lag B'Omer party at the Savoy Hotel, Tel Aviv on Saturday night.

Police, Children Hunt Missing Schoolboy

KFAR SABA, Monday. — Fifty members of the Kfar Saba border police and about 100 local schoolchildren searched in the orange groves west of Kfar Saba yesterday and today for Amitai Schwartzman, aged 13.

The boy has been absent from his home since May 7.

His father and stepmother thought at first that he had gone to visit his grandmother in Haifa, as he had done on two previous occasions. But enquiries in Haifa established that he had not been there.

Amitai has dark hair, blue eyes and a scar under the left eye. He is slim and 150 cm. tall. He was last seen dressed in khaki shorts and a khaki shirt. He speaks Hebrew and some English.

Negev Sheep Shearing

BEERSHEBA, Monday. — Sheep shearing in the Negev started at Mishmar Hanegev. There are approximately 5,000 sheep in the Negev and the shearing will last for about six weeks.

First Floodlight Soccer Game Today

PETAH TIKVA, Monday. — Israel's first-ever floodlit soccer match is to take place tomorrow between the local Maccabi and Hapoel teams. The game is scheduled to kick-off at 8 p.m. Its success might inaugurate a series of evening soccer matches, similar to those now played in England and other countries in Europe.

Hitherto, practically no soccer games were played in this country during the summer because of the heat.

Three Athletes Bring 4 Medals

Jerusalem Post Reporter

LYDDA AIRPORT, Monday. — The four-man Israel sports delegation to the Asian games in Manila returned by air early this morning from Cyprus. They were greeted by heads of sports organizations and a small but enthusiastic crowd.

The delegation was headed by Dr. M. Harnik of the Israel Olympic Committee, who said upon arrival that the small team had won the largest number of points in proportion to its size. Israel placed eighth among the 18 competing nations. Had a large delegation been sent, we would have been even more successful, he added.

The three athletes brought home four medals, two gold, one silver and one bronze. Mrs. Ahuva Krivitzky-Kraus won a gold medal for the high jump. Yosv Ra'anan won a gold and a silver medal by coming first and second in two diving events. Dov Ben-Dov won a bronze medal in sharp-shooting.

The three are national champions in their respective sports.

RESOLUTION

(Continued from Page 1)

created when Mr. I. Bar Yehuda (Mapam) pressed the Speaker, Mr. Sprinzak, to take the vote separately on the first three lines of the resolution, expressing "complete approval" of the Prime Minister's statement, and on the rest of the resolution. The resolution had been tabled in the name of the coalition parties and Agudat Yisrael, and when the vote was taken Mapam and Herut abstained from voting against the main body of the resolution, this falling only to the Communists and Left Faction.

There was a good deal of laughter when, after Mr. Bar Yehuda's impassioned plea for separate voting, his party after all failed to raise their hands in support of even the latter part of the motion, until their failure to vote against it explained their position. Even this is, of course, an exceptional measure of support for the Opposition to give the Government.

Rival motions were tabled by Mr. Rubin, for Mapam, by Mr. Landau, for Herut, which included censure of the Government for weakness in the past, and called for immigration from wherever this was permitted, including North Africa, and by Dr. Sneh, who caused a minor sensation by announcing that his resolution was being presented jointly by his own party, the Left Faction, and the Communists. He presented his wordy eight-point resolution with evident satisfaction at his new status, but there were only four members in the House to vote for it.

The other Opposition resolutions were also rejected.

FAMILY DEMANDS WORK OR RETURN PASSAGE

TEL AVIV, Monday. — A father, mother and five children from Haisa in Upper Galilee tonight are sleeping outside the office of the Jewish Agency in Rehov Nahlat Binyamin here. The father, 45, is asking for work or to be returned to Persia.

The man, Tamasi Rahama, said that he had been a shopkeeper in his native land and was brought to Israel 18 months ago.

DOGS
BATHING ★ SHEARING ★ TRIMMING ★
A. MARCHAND'S
DOG HOME
Nahlat Izhak,
near "Izhar," Bus 53, 63.

THE ANTI-TUBERCULOSIS LEAGUE
TEL AVIV BRANCH
will hold its 14th Traditional Bazaar—Children Fashion Show—Summer Fashion Show, with the participation of the best Tel Aviv, Jerusalem and Haifa Salons—and the "White Flower" Ball, at the
RAMAT AVIV HOTEL
on Wednesday, May 26, 1954
Festive Opening of the Bazaar by the Mayor of Tel Aviv, Mr. H. Levanon — 5 p.m.
Children Fashion Show — 5.3. p.m.
Summer Fashion Show — 8.30 p.m.
Ball — from 9.30 p.m.
LOTTERY WITH VALUABLE PRIZES



Khoushy Tells Why Comptroller Quit

Jerusalem Post Reporter

HAIFA, Monday. — A brief storm arose over the resignation of the Municipal Comptroller, Mr. M. Gur-Arie, at this evening's session of the Municipal Council here.

Mayor Abba Khoushy told the Council that Mr. Gur-Arie had resigned because he would not agree to the limiting of his authority by the Municipality. Mr. Khoushy had himself been in favour of wide authority for the Comptroller, but a majority vote of the Council had decided to restrict his powers.

The Mayor expressed his thanks to Mr. Gur-Arie for his short but useful service and regretted his departure as his service would have benefitted the town.

Mr. Z. Zimmerman, (General Zionist) demanded that this action and "the many other resignations from the Municipality" be debated. Councillors heard of these incidents of which there have recently been a whole series, only through the Press, he complained. The Mayor answered that only one official had resigned recently.

The motion for debate was defeated, with only the Herut and General Zionist Councillors supporting it.

Mrs. C. Iram (Communist), demanded that the Municipality should establish advice centres on the Tenant Protection Law and help defend tenants who, because they were ignorant of the law, were being "exploited by land-lords who had raised the rent above the legal limit."

The Mayor rejected the suggestion because, he said, the Municipality could not defend only one part of the population even if it was the majority.

Rehovot Budget IL1.3m.

Jerusalem Post Reporter

REHOVOT, Monday. — The Municipal Council here at its meeting last night, ratified a IL.1.3m. budget for the coming year. The seven Coalition members (Mapai, Religious Bloc and a Yemenite member) voted in favour, while the two Mapam and another Yemenite member abstained. The three General Zionist Councillors boycotted the meeting.

Education accounts for IL.550,000 of the sum. Half of the budget is covered by rates.

The Council also ratified a Development Budget of IL.1m. for the construction of roads, plants for purifying sewage water, extension of the sewage system and the building of new schools.

Haifa Dealers Hit Furniture Tax System

Jerusalem Post Reporter

HAIFA, Monday. — Strong criticism against the system of imposing luxury taxes on furniture was levelled here today by spokesmen of a joint committee for the abolition of the present system.

The General Merchants', Artisans' and Manufacturers' Associations, as well as the Cooperative Centre, are represented on the committee.

The spokesman heavily scored the alleged arbitrary powers vested in the tax inspectors who are permitted to estimate the tax. The inspectors were alleged at times to have revised their own estimates upwards, after the tax had been paid. The inspectors have the right to search without warrant, and to confiscate furniture arbitrarily for three months, causing loss and damage, the spokesman charged.

"Unfair pressure," the spokesmen claimed, was put on manufacturers by confiscations before festivals, when the market is best, sometimes spelling ruin for the smaller man. When the tax was lowered, no refunds were made, but when it was raised the full increase was collected. There was no one to turn to on the matter, and they were thus now appealing to public opinion.

In addition, some firms and institutions allegedly paid no tax, thus creating unfair competition. They named Shekem, kibbutz stores, Labour Ministry woodworkshops, outlying village work schools, carpentry shops in large industrial plants and small carpenters selling illegally, as not paying the tax. They asked that the unlimited sale by Shekem of untaxed goods to soldiers' families, be stopped.

The committee suggested that the tax be imposed on wood as it arrives in the country, or at the three plywood factories here, and that the tax be graduated by type of wood.

NATO. — American Major-General Alonzo Fox has been appointed Chief of Staff for NATO forces in Southern Europe in succession to Major-General Byers, it was announced in Paris yesterday.

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ASHKELON REBORN
ASHKELON FESTIVAL
Today, Tuesday, May 18, 1954
11 a.m. Basketball — Basketball Pitch.
2 p.m. HAY FEVER — a play by Noel Coward — Communal Hall.
Acted by the "Masach" Dramatic Company.
Play produced by Shear Yashubh Olswanger.
8.30 p.m. HAY FEVER—"Masach" Dramatic Company
READ **OLD and NEW ASHKELON**
By Theodore F. Meysels

Polish Note to US On Ship Seizure

LONDON, Monday (Reuter).—The Polish Government has handed to the U.S. Embassy in Warsaw a note of protest against the seizure of the Polish freighter Gottwald by the Chinese Nationalist navy in the straits of Formosa on May 13, Warsaw Radio announced this morning.

The note said that the attack on the ship was made with the assistance of U.S. armed forces and that U.S. Air-Force planes accompanied the vessel for some time before the seizure by the Nationalist navy.

The Polish Government demanded the release of the ship, her crew and cargo and named the U.S. Government as responsible for "brutal violation of the rights of the Polish merchant navy flag."

14 Czechs Sentenced For Preparing 'Blood Bath'

VIENNA, Monday (Reuter). — Fourteen Czechs have been sentenced for "having prepared a blood bath for the working people, plotted the murder of officials and carried out espionage and acts of terrorism," according to a Czech newspaper received here today.

The newspaper, "Zar" of Pardubice, Bohemia, of May 11, said that the group's leader, Frantisek Vacek, an American agent, was the only one sentenced to death. Other members of the group, including four women, received sentences varying from three years to life.

The newspaper added that Vacek had formed the group after escaping from prison, where he was serving a 12-year sentence for terrorist activities.

WOUNDED. — Three Moroccan policemen were wounded when a grenade was tossed at a bicycle patrol in the Arab quarter of Casablanca on Sunday night. The terrorists escaped.

Cables in Brief

BAPTISM. — A Frenchwoman, Georgette Glodek, is suing Rev. Henry Brandt-hem in Paris for baptising her two children without her consent. The children, Fabien, aged 7, and Danielle, aged 5, were brought up in the Jewish faith, according to Mme. Glodek.

BALKANS. — A Turkish military delegation headed by General Neladi Yadiman arrived in Skopije, Yugoslavia, yesterday and later went to Nish, where they will be guests of the garrison's commandant.

LOCUSTS—Large locust swarms which have been damaging plants and vegetables have moved north towards Iran, Kuwait authorities said yesterday. Locust experts from Britain have organized eradication campaigns against the swarms, which came from Saudi Arabia.

DEAD. — Herbert Leeds, 42, Hollywood movie director, was found dead in a New York hotel room yesterday, police said. They added that Leeds evidently had shot himself in the chest with a shotgun which was lying beside him.

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MEN PREFER MEM
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Economic News from Abroad

● Prices of a long list of consumers' goods, mainly foodstuffs, textiles and shoes, have been reduced in Poland by an average of 10 per cent.

● British motor car exports continue to rise. In 1953, the number of cars and commercial vehicles sent overseas was almost equal to the combined shipments of the U.S., Western Germany, France and Italy.

● A 550-km. pipeline will be laid to Karachi from Sui in the heart of the Baluchistan desert, where large reserves of natural gas, estimated to be sufficient to produce three million cubic metres a day for 60 years, have been discovered. The pipeline will supply three power stations and three cement factories and a projected nitrogenous fertilizers plant, and will enable Pakistan to spare a considerable part of her present coal imports.

● Germany is making efforts to reduce her frozen trade credits which still stand at $191m. (against $230m. last autumn). The main countries concerned are Brazil, Yugoslavia, Turkey, Czechoslovakia and Poland. Brazil has already reduced her debts by voluntarily keeping her imports from Germany at 80 per cent of her exports. Talks about a similar procedure are about to be concluded with Yugoslavia.

● A new policy designed to increase textile exports has been approved by the Japanese Ministry of Trade and Industry. Foreign currency will be allocated to traders according to the ratio between their exports and the targets set by the Ministry. Any traders who extend markets will be awarded three to four per cent more raw cotton.

● The U.S. Senate has approved the Administration's policy of abandoning the wool price support programme in favour of direct subsidies to producers.

● At the Owen Falls power station in Uganda, opened by Queen Elizabeth on her recent visit to the colony, 75,000 kilowatts are to be installed by 1959. The power is to be supplied to a textile factory, a copper smelting plant, and various small industries.

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CUTS IN SUBSIDIES

As time goes on, although statistical data on recent financial developments are not yet available, it becomes increasingly clear that the current budget is not realistic enough, and that before long changes must be introduced in view of persistent and undeniable inflationary pressure. It is evidenced by much reduced unemployment, by higher building activity, by the buying spree in several trade branches, by the continuous tug-of-war about salaries wages and those prices that are still controlled, and by the increased restiveness of exporters about higher production costs.

To some extent these facts may be explained by natural factors, such as an excellent agricultural season, satisfactory proceeds from heavy citrus exports, and the influx of individual payments from Germany. All these put additional means in the hands of the public without a concomitant increase in supply. But these are hardly more than subsidiary factors. It seems that lately the volume of credits has again been expanding in spite of the official ban on additional bank credits and that there has also been some measure of deficit financing, notwithstanding all the promises not to revert to this unhealthy practice. This may mainly be due to seasonal factors, for tax yields generally rise towards the end of the financial year, while many items of expenditure are either evenly spread over the whole year or centred in the summer months (particularly the Development budget, spent to create employment). The resulting short-term borrowing, either by the Government or by local authorities and public bodies, such as the Jewish Agency) has, however, its irreversible inflationary repercussions. Moreover, the end of this overspending is not yet in sight: it is no secret that influential quarters are claiming a further increase in Development expenditure.

This seems to be the background to the recent proposals, now under active consideration by the Government, to release means for investment purposes by reducing disbursements for subsidies. The total sum under this heading is IL.75m. (most of it from extra-budgetary sources, the bulk of which is spent on keeping down the prices of bread, milk, other foodstuffs and fuel.

It goes without saying that, in the long run, this dissipation of capital resources for consumption purposes does no good to the country's economy but if the cuts now proposed are to be more than a financial stopgap, two vital conditions must be safe-guarded.

First, the influence of the ensuing rise in the cost-of-living on the level of wages must be reduced to a minimum; and, second the means set free should be diverted to investments of real economic value, not merely to other relief works and unproductive enterprises under the guise of development projects.

Arabian Tanker Trust

ALL Arabian oil not shipped in tankers owned by the four American companies participating in Aramco is to be transported by a new tanker company to be set up by the Saudi Government and Aristotle Onassis, the Greek-born Argentine ship owner.

According to the agreement reached between the Saudi Government and Onassis, the latter is to supply 25-30 modern tankers with a total tonnage of about 500,000 tons deadweight, while Aramco will be precluded from enlarging the tanker fleet that it operated at the end of December 1953. Moreover, it will not be allowed to replace its tankers as they go out of service. At present, Aramco is carrying 40-50 per cent of the oil shipped from Arabia in its own vessels.

Saudi Arabia now produces about 42 million tons of oil a year. Of this, about 15 million tons goes through the pipeline to Sidon; a similar amount is piped to the refineries at Ras Tanura and Bahrein. About 10m. tons of crude oil are exported from Saudi Arabia annually.

It is still undisclosed whether the agreement with Onassis applies to crude oil only or includes refined products too. The tankers initially planned by the new company would probably carry about three and a half million tons a year, but eventually the new company may obtain the exclusive right to carry all sea shipments of oil from Arabia.

TARIFF SUMMARY

A 90-page special "*Kovetz-Hatakkanot*," containing all customs tariffs levied since 1937, is to appear today over the Finance Minister's signature. It will contain about 4,000 sub-paragraphs.

Tire Prospects and Prices

By Our Economic Editor

UNTIL 1953, tires for motor vehicles formed an important item in Israel's imports, but at present it has shrunk to negligible proportions. Only special sizes continue to be purchased abroad, mainly for heavy mechanical equipment, but the bulk of consumption is now covered by the two local factories which are affiliated to big foreign producers and employ modern American working methods and practices.

The saving in foreign currency thus achieved has been calculated at almost 39 per cent of the c.i.f. cost of imported tires and the total amount may be estimated at $1.25 to $1.5m. a year. Israel-made tires have already won a good name and exports to Turkey and Finland are to the tune of about $1m. The added value of this export was about 35 per cent.

In a comparatively short period, both factories have succeeded in overcoming the initial difficulties of new production. Local workers have been trained and efficiency raised to a fairly high level. Output increased steadily during the first half of 1953 and for many months the factories have been working close to capacity, which at present is approximately 370 tons of tires and tubes per month ("General" — 195 tons, "Alliance" — 175 tons), i.e. 4,400 tons per year.

In 1953, the combined output was 3,239 tons or 115,500 units, of which about 20,000 were exported. This year, however, exports will have to be expanded if both plants are to continue to work at high level, for domestic consumption will hardly increase appreciably. Moreover, the Alliance company has already placed orders with the Shilumim Corporation for additional equipment which would allow it to raise its output by 40 per cent or to cut down from three shifts to two.

Domestic Sales

The volume of domestic tire consumption has never been reliably established, and estimates in this respect vary widely. Some authoritative sources have put it as high as 120,000 units per year, i.e., at least 3,500 tons, while a special report prepared a year ago arrived at 2,440 tons.

In 1953, combined domestic sales of the two local factories amounted to 2,323 tons, and in addition 329 tons of tires and tubes were imported, also taking into account those attached to imported vehicles. Total domestic demand was therefore 2,653 tons, excluding purchases by the Kaiser-Frazer factory, which should rather be considered exports.

While this year there was neither an evident shortage of tires nor accumulation of stocks, the Economic Advisory Staff of Mr. Gass has argued that these sales were nevertheless short of the actual requirements and that, in addition, these requirements are bound to increase by five to ten per cent each year as a sequel to the rise in agricultural, industrial and mineral production and to the natural increase and dispersal of population. It, therefore assumed that domestic consumption of tires and tubes would aggregate 3,000 tons a years.

This argument seems to be sustained by the fact that the number of motor vehicles continues to rise and was 4 per cent higher last January than in January, 1953. Yet it is doubtful whether this rise is a sufficient proof of increased tire consumption, for this depends also on the ton-mileage of the motor vehicles, particularly for trucks and buses. In 1952, the number of licensed vehicles rose by almost 12 per cent, but at the same time the ton-mileage dropped by 19 per cent for trucks and by 5 per cent for buses.

In the long run, moreover, the railway is likely to take a much bigger share of local transport, and the expansion of inctor traffic would therefore be curtailed. The reduced earnings of haulage and bus companies are also likely to induce them to postpne replacements and accumulation of stock. It seems that, for the time being, actual requirements of the local market are likely to be nearer a figure of about 2,700 tons.

High Overhead

In order to reach a "break-even-point," i.e. to cover all fixed costs, both tire factories have to sell about 250 tons a month at the present level of prices. This is somewhat above the local domestic requirements.

It must also be taken into account that the Police, who are very big customers, are paying appreciably lower prices. The factories, therefore, will have to augment the domestic market by sales to "Kaiser-Frazer" and to other countries. Last year Kaiser-Frazer purchased about 500 tons of tires, of which only 77 tons were bought here. This year, the requirement is supposed to increase and the factory has announced its intention substantially to expand its local purchases.

Exports to Turkey are encountering difficulties because of stiff competition from French and other producers, who are able to grant long term credits, but recently orders have been obtained from Yugoslavia and prospects are said to exist in other amrkets. Export prices are lower than on the domestic market. In 1953, the companies were able to earn reasonable profit on these sales, too, and they will still be getting net profits while selling at prices 15 per cent below the standard market price (and 25 per cent below the domestic level), but their profit margins are likely to be much smaller than last year.

On the other hand, wages have risen during the past months (though this can be only of minor importance in this case, for labour costs make up only about 10 per cent of total expenditure) and financial charges have increased because of the higher interest and greater stocks now purchased on the Reparations account.

In the recent discussions on tire prices, the crux of the problem was the proper level of depreciation allowances and of profits. The capital invested in both companies, which includes $2.75m., amounts to IL.8.9m. (of which IL.5.4m. in Alliance and IL.3.5m. in General) and depreciation of the fixed assets and amortization charges account for eight to ten per cent of the gross value of the production. Any attempt to shorten the amortization period has therefore considerable bearing upon calculation of costs.

As to profits, both companies insist upon being allowed to earn at least 15 per cent before taxes on total invested capital, in order to be able to distribute a six per cent dividend to shareholders and to ploughback four per cent as reserves for future expansion. The current maximum prices in the domestic market only allow, however, for a profit of six to ten per cent on total investments, even on the Gass Committee's rather optimistic assumptions as regards marketing and provided the plans to continue to work at full capacity.

The companies claim that at present their earnings are not reaching even this level (one company maintains that it is actually losing money) and that they will be compelled to shut down if not granted permission to raise domestic prices by about ten per cent. The Government will probably yield before long and grant them at least a part of their demand in order not to disturb a promising and dollar-earning industry.

THE WEEK ON THE STOCK EXCHANGE

TURNOVERS were restricted on the Tel Aviv stock exchange. The only cheerful note was the comparative steadiness of some securities in the face of a marked downward trend in others. The main changes during the week were:

Tavei Dollar lost 39 pruta, Bank Leumi shares receded by 8 points, Pal. Potash preference shares by 23 points and the ordinary shares by 29 points. Palestine Electric shares, London Register, dropped by 10 points, the Israel Register by 12 points, and Jerusalem Electric shares by 4 points, while Nesher "B" debentures lost 4 points. Others remained comparatively steady with only insignificant losses.

London

IN London, the general tone during the week was firm. The main feature was the surprise announcement on May 13 of a reduction in the bank rate from 3½% to 3% which was well received by the City, but did not bring about a markedly brisker trade. Gilt-edged advanced one point or more; leading domestic securities followed in some measure. It became clear that the full beneficial influence of this latest Treasury decision would not be felt for some time until after investment policies would be adjusted in the light of the new money rates.

The "Financial Times" Index at the close of the week under report reached a new alltime peak of 149.9 against 147.1 last week, while Reuters Industrial Index was 175.9 against 171.4.

New York

WALL STREET continued very firm during the week, with gains up to $1, and industrials reached a new peak. Dow-Jones Averages for 30 industrials was 322.50 on May 14, a gain of 2.11 on the day, against 321.20 last week, and for 20 rails 0.56 higher than the previous day at 108.60, against 108.52 last week.

Gold

The Paris gold market remained indifferent to the vote of confidence obtained by the French Government. The uncertainty in the international situation restricted any expansion of business. Swiss Louis were again quoted at the same price as the Napoleons, reflecting imminent lifting of the turnover tax of four per cent on gold in Switzerland. In London, in the middle of the week, the price of gold was 248/11½d. per fine ounce.

Commodities

Main features at the close of the week were the firmness of tea, tin, lead and rubber, and the steadiness of wool, cocoa and wheat. At mid-week the "Financial Times" Index of sensitive world commodity prices had risen to 93.80 from 93.78 a week earlier.

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Readers' Letters

EXPORT OF GROUNDNUTS

Editor, The Jerusalem Post

Sir, — With reference to the article on the export of groundnuts published in *The Jerusalem Post* of April 20, the new scheme for the export of groundnuts was discussed in the inter-ministerial committee for barter (not adopted by the inter-ministerial committee for fostering exports).

The decision to grant a premium of 400 pruta for every dollar of one-half of the export proceeds of groundnuts from Ministry of Agriculture funds, and import licences for the other half of the export proceeds, has been taken by the committee for fostering exports only for the past season. It was not to serve as a precedent and was adopted only in order to assist the pioneer export of groundnuts.

Yours etc.,
Y. LERON

Jerusalem, April 28.

So far as we know the said premium scheme is still valid, although changes have been proposed for the next export season. —EC. ED.

DAIRY SUBSIDIES

By Our Economic Correspondent

THERE are certain rumours that the next American grant-in-aid will be given partly in the form of foodstuffs. The rumours have not yet been confirmed officially, but they have disturbed public opinion among farmers to such an extent that Mr. N. Verlinsky, the general-manager of Tnuva, found it necessary to publish a strong warning. He takes into account the import of food-mainly dairy-products—to the tune of $15-20m. and states unequivocally that this sort of import would do damage to our milk-producers which it will be difficult to repair.

Mr. Verlinsky proposes that we try to persuade the American Government to give us other foodstuffs, or raw-materials for processing, instead of dairy produce. If this can be done, representatives of farming interests even say that it would be better to renounce this form of aid entirely as it will damage our dairies for years to come.

It must be realised that these American imports do not come under the heading of ordinary and, therefore, healthy competition. Our farmers are unable to compete with practically free goods (we only pay for transport and storage) under any circumstances.

However the problem of grant-in-aid imports is only one facet of the dairy question in Israel. On the one hand, malnutrition is developing in certain sections of our community. On the other hand, prices are kept up by subsidies, so that the public cannot afford to purchase even as much of the dairy foods as is produced at home—and an artificial surplus develops.

Mr. Verlinsky points out that we consume less milk than is good for the health of the population—and that the surplus of milk is going to increase next year. But he notes also that further subsidies will be needed if milk is to be marketed on a larger scale and if it is to be enriched so as to induce more people to drink it.

Round and Round

We appear to be moving in a vicious circle. In order to encourage agricultural production we have to assure the farmer of sufficiently high prices. If this is done, the public refuses to buy the produce, but if the price is kept low by Government subsidies, this throws an additional burden on the tax payer and thus syphons-off part of the money which could be used to buy the goods. In other words, the remedy of subsidies may turn against itself and destroy the very market which it is designed to keep steady.

We arrive, therefore, at the question of how much should be given in subsidies. It has sometimes been argued that our price yardstick should be the world market level. It is significant, however, that in one of his calculations Mr. Verlinsky takes the price of American butter as his starting point. It is very doubtful whether the urban wage-earner in Israel will be able to pay the same prices as does the American worker.

We have applied the panacea of subsidies to ward off all sorts of ills. We have used them to stimulate agricultural sales and output. They have, it is true, helped to increase agricultural production. But it may well be that they have also reduced the drive to streamline production and to increase efficiency. We have used them to stimulate exports and they have doubtless raised the volume of exported goods. But since no one dare tell whether the sums now paid are the limit of what the Treasury will grant they may well threaten the stability of our currency. And generally speaking, they have veiled the all-important fact that the economy as a whole must earn all the subsidies it pays to its various branches.

Tel Aviv Stock Market

MAY 17.		Rise or Fall
Govt. Loans		
5% 1955 (reg.)	100	—
5% 1956 (reg.)	100½	—
5% 1958 (reg.)	100½	—
Pop. Loans		
1949/50 (IL.30)	30½	+1½
1950/75 (IL.10)	97½	—
1½% Tavei Dollar	1351	—8
1½% War Loan 54/59	81½	—½
1½% Govt. Bonds large	94½	+½
Pal. Bonds Bd.		
Ser. 1	72½	—1
Ser. 2	72½	—
Ser. 3	71	—2
B. Leumi Ord. sh.	300	—
A.F.B. Invest.		
4% Debs. 50/70	98½	—
4½% Pref. sh.	104½	—
Ord. sh. "B"	114½	—
Gen. Mortg. Bk.		
6% Debs. 48/68	76	—
6% Pref. sh.	70½	—
Bisur		
4% Debs. 46/66	90	—
4½% Debs. 52/66 reg.	70½	—
Bir Ltd.		
6% Debs. 39/59	81	—
6% Pref. sh.	71½	—
Fass Debs. 4% 42/62	79½	—
P.L.D.C. Ord. sh. reg.	158½	—12
5% Debs.	84	—
Afr Pal. Inv. Ord. sh.	194	—
Rassco		
6% Debs 56/63	68	—
6% Pref. Ord. sh.	94½	—
Pal. Potash 6% Pref. sh	212	—8
"A" ord. sh.	231	—11
Pal. Elec. Ord sh. (Inv.)	480	+14
Mekoroth Pref. sh.	70	—1
Ata 4% "C" Pref. sh.	109	—
Ord. "B" sh.	142½	—1
Ord. "C" sh.	142½	—1
6-8% Con. Debs.	103½	—1
"Kurdaneh" Ord "B" sh	147	—1
Ord. "C" sh.	110½	—3
7% Conv. Debs. 59/68	157	—
Assis-Bej.: "B" sh.	100	—
"Tera" Ord. sh.	100	—
Nesher 6% Debs. Ser. A	115½	—
6% Debs. Ser. B	133	—
Pal. Cold St. 7% Debs.	144½	—4
Lodzia 4½% Pref. sh.	69½	—
B.A. Binyan Ord. sh	83	—b)
Pal. Centr. Tr pref. sh	91	—

Notes: a) purchasing price; b) selling price; c) ex-coupons; d) ex-right; x) prutot per one Dollar.

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Company Reports

P.E.C.'s Cautious Expansion

IN recent months the Palestine Economic Corporation has often made big news by its extensive activity. Its total resources now exceed $37m., it was announced by Dr. Heinz Gruenbaum, Executive Vice-President in charge of its Israel operations.

The American-Israel Paper Mills, of which the Corporation is a big shareholder and in which its American affiliated company, Israel Enterprises Inc., has invested IL.1.8m., started production in 1953; in effect, so did the new subsidiaries, the Carmel-Wine company and the PEC Diamond corporation. Older subsidiary and affiliated companies in industry, banking, real estate and commerce (the Union Bank, General Tires, Fertilizers and Chemicals, Bayside Land Corporation, Israel Corporation of America, etc.) continued to develop successfully.

The PEC-Levy Office building in Tel Aviv was completed and several new investments made (IHUD insurance agencies, Supergas, the Palestine Building Syndicate) in 1953. At the end of the year, the PEC Investment Corporation was created; it is to provide capital for private enterprises; a sum of IL.1.2m. has already been subscribed and other shares are to be introduced on our Stock Exchange. In 1954, the Corporation taking over the marketing of its products abroad made a $1.5m. loan to Fertilizers and Chemicals, thereby enabling it to complete its building programme. It also participated with IL.540,000 in Mehadrin.

In view of this ramified expansion, it is rather interesting to note that total assets of the Corporation increased by no more than $1.1m. in 1953 (from $11 to $12m.), of which only $178,000 represented the net increase of its assets "abroad," i.e. mainly in Israel, while the bulk of the new assets were investments in companies doing business with Israel, as shown by the following figures (in thousands of dollars):

Assets at end of	1951	1952	1953
Investments and loans	6,484	7,170	8,993
Notes, Loans, Receivables	1,126	1,439	1,342
Cash	161	74	511
U.S. Government obligations	1,536	2,273	1,210
Stock-selling expenses, deferred etc.	303	—	—
Total assets	9,610	10,956	12,055
Thereof abroad	6,040	7,216	7,394
domestic (i.e. U.S.A.)	3,570	3,740	4,661

The rise in "investments and loans" was more pronounced in the past year, for the liquid assets of the Corporation (the bulk of which are "loans to Israel Government and securities temporarily held for Israel investment") decreased from $3.8m. to $3.1m. and from 35 to 25 per cent of total assets. However, out of the $1.8m. added to "investments and loans" the share of companies registered "abroad" was only $714,000. Evidently the Corporation's expansion has also been financed by various combinations with other capital resources, foreign and local. In this respect, its close relations with the Union Bank are of particular importance and so for the future, is the connection recently established with the Bank Leumi.

The Corporation's share capital increased by $427,000 (to $7.9m.) in 1953, and reserves by another $393,000 (to $3m.). "Loans" payable to banks and others" also rose, from $760,000 to $1,032,000. The customary dividend of four per cent to shareholders took $315,000 this years, leaving an estimated $164,000 for the earned surplus of the year. The development of the Corporation's profits in recent years is of interest:

Income (thousands of dollars)	1951	1952	1953
Interest	181	150	104
Dividends	420	601	432
Miscellaneous and non-recurring	155	14	301
Total income	756	745	837
Net profit	263	393	479

PEC's income from investments "abroad" totalled $562,000 in 1952 and $554,000 last year. These figures do not, however, give a correct picture of the impact of the devaluation of the Israel pound upon the corporation's earning power, particularly because a considerable share of recent profits was of a non-recurrent character.

According to a statement prepared by the Corporation, its total local earnings and dividends (after provision for taxes) declined from $430,000 in 1951 to $128,000 in 1953 when expressed in dollars at the current rate of exchange, despite the fact that in Israel pounds they rose from IL.153,000 to IL.253,000, evidently it is this lack of a stable rate of exchange which induced the PEC to invest so large a part of its means in Israel only through U.S.A.-registered companies or in dollar-linked loans.

Mekorot Production Up Again

LAST year the Mekorot company supplied about 145m. cu. metres of water. In 1954/55, according to plans recently approved, the quantity is to be raised to 250m., though 230m. may perhaps be more realistic, because of financial and technical difficulties.

The company's revenue amounted to IL.4.5m. last year, and is to rise to about IL.7.5m. after this planned expansion and as a result of higher water prices, which will advance on the average, by 10 per cent over 1953/54, when it came to 32.12 pruta per cubic metre. Though in some places much higher prices are charged, ranging up to three times the average, only comparatively small quantities are supplied at these top prices. The proposals for a flat water price for the whole country have been rejected both on economic and administrative grounds. Details of the future price policy are now under consideration by a committee appointed by the Government.

The Mekorot water price is based on costs, of which an average 42 per cent are accounted for by the cost of power (electric current and fuel) and 30.6 per cent by capital service (interest, amortization of loans and depreciation). Maintenance accounts for 14.8 per cent of total cost (of which 8.5 wages, 3.1 transport, 2.5 materials) and overheads for another 5 per cent.

Mekorot's investment programme for the current year amounts to IL.32m., of which IL. 20m. are to be spent on the completion of the Yarkon's diversion to the Negev. The company expects to be allocated at least IL.20m. from the Government's Development Budget and to receive another IL.9m. from the Jewish Agency. The rest is to be raised from housing bodies and private consumers, mainly from the purchase of additional "water rights" by well established agricultural settlements.

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